

Administration Payroll Tax/Cost Shift Return on Investment

House Bill H.481

1 Agency of Administration

Cost Shift

6 Months - FY 2016						
Cost Shift Investments	State	Federal	Total Dollars	GMCB Return	Cents on the Dollar	Premium Reduction
Outpatient Rates	4,471,073	5,528,927	10,000,000	Outpatient Rates	\$ 1.00	10,000,000
Primary Care Rate Increase	4,108,319	4,641,681	8,750,000	Primary Care Rate Increase	\$ 0.45	3,937,500
Professional Services Rate Increases	4,225,700	4,774,300	9,000,000	Professional Services Rate Increases	\$ 0.70	6,300,000
Dartmouth Hitchcock	671,874	828,126	1,500,000	Dartmouth Hitchcock	\$ 0.90	1,350,000
Total	13,476,966	15,773,034	29,250,000	Total		21,587,500
FY 2017						
Cost Shift	State	Federal	Total Dollars	GMCB Return	Cents on the Dollar	Premium Reduction
Outpatient Rates	9,352,210	10,947,790	20,300,000	Outpatient Rates	\$ 1.00	20,300,000
Primary Care Rate Increase	4,231,569	4,780,931	9,012,500	Primary Care Rate Increase	\$ 0.45	4,055,625
Professional Services Rate Increases	8,578,171	9,691,829	18,270,000	Professional Services Rate Increases	\$ 0.70	12,789,000
Dartmouth Hitchcock	1,402,832	1,642,168	3,045,000	Dartmouth Hitchcock	\$ 0.90	2,740,500
Total	23,564,782	27,062,718	50,627,500	Total		39,885,125

Notes

Potential for 2.34% reduction in premium or premium equivalent cost growth.

The break even point for employers would be health care costs equal to 12.82% of payroll with a 0.3% payroll tax.